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Report of the Inter-Agency Task Force on Finance Statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its forty-second session (see E/2011/24, chap. I.A), the Secretary-General has the honour to transmit the report of the Inter-Agency Task Force on Finance Statistics, which is presented to the Commission for information. This report provides an update on the main activities of the Inter-Agency Task Force since the 2010 session of the Statistical Commission. The Task Force has achieved important progress in the preparation and dissemination of the *Public Sector Debt Statistics Guide* and the public sector debt database; proposals for the structure and timetable for update work on the *External Debt Statistics Guide*; enhancements to the Joint External Debt Hub; and countries' participation in the Quarterly External Debt Statistics database. The Commission is requested to take note of the report.

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Report of the Inter-Agency Task Force on Finance Statistics

I. Introduction

1. The Inter-Agency Task Force on Finance Statistics,[1] established in 1992 under the auspices of the Statistical Commission, reconvened in 1998 to coordinate work to improve the data on external debt and international reserves, with attention to methodological soundness, transparency, timeliness and availability of data. External debt data help to assess the potential vulnerability of a country's financial position with other countries. A report on the work programme of the Inter-Agency Task Force was provided to the Commission for its meeting in February 2010. The present report provides an update on work since the last report and outlines the work programme agreed upon at the meeting of the Task Force, hosted by the Commonwealth Secretariat in London on 3 and 4 March 2011. While the work programme of the Task Force is challenging, it will continue to benefit from the cooperative, coordinated and sustained efforts of its agencies, which are key to its success.

II. Methodological work

A. *Public Sector Debt Statistics Guide*

2. During the March 2011 meeting of the Task Force, the International Monetary Fund (IMF) presented progress made since the previous meeting regarding the *Public Sector Debt Statistics (PSDS) Guide* (*PSDS Guide*). In August 2010, the draft *PSDS Guide* was posted on the Task Force website for worldwide comments until October 2010. In December 2010, the revised draft was sent to the Task Force agencies. The agencies agreed in co-signing the *PSDS Guide* to be consistent with the successful approach taken with the *External Debt Statistics Guide* (*EDS Guide*) and considered ways to actively promote the *PSDS Guide* after publication, including through workshops, seminars and other similar activities. The pre-publication version was posted on the Task Force website (www.tffs.org/PSDStoc.htm) in May 2011 and is subject only to final editing before publication in book form. The final version will be ready in December 2011. The *PSDS Guide* is aligned with the *2008 System of National Accounts* (*2008 SNA*).

B. Update work on the *External Debt Statistics Guide*

3. The IMF Statistics Department, in consultation with the Task Force, has initiated work on the update of the *EDS Guide* to take account of changes introduced by the *Balance of Payments and International Investment Position Manual* (*BPM6*) and the *2008 SNA*. Changes proposed to the *EDS Guide* are identified in the paper "Update of the External debt guide on issues emerging from

[1] The Task Force on Finance Statistics is chaired by the International Monetary Fund (IMF) and meets annually. It comprises representatives of the Bank for International Settlements (BIS), the Commonwealth Secretariat, the European Central Bank (ECB), IMF, the Organization for Economic Cooperation and Development (OECD), the Paris Club Secretariat, the United Nations Conference on Trade and Development (UNCTAD), and the World Bank.

BPM6" posted on the Task Force website (www.tffs.org/method.htm). These issues were approved at the March 2009 meeting of the Task Force. Overall, the *EDS Guide* remains largely consistent with the updated standards. Only a limited number of changes in *BPM6* will require changes in the methodological framework or clarifications of the methodological treatment in the *EDS Guide*. Therefore, the Task Force agreed on the update (rather than a rewrite) of the *EDS Guide*.

4. During the 2011 meeting of the Task Force, IMF presented for discussion a paper on the update work on the *EDS Guide*, in which proposals for the structure and timetable for this work were included. These proposals were agreed by the Task Force agencies, with a view to maintaining the overall structure of the *EDS Guide*, while limiting duplication of topics covered in other manuals and guides. The proposed timetable for the update work was confirmed. Key dates for this update work are: (i) the presentation of an updated version of Part 1 (Conceptual framework) at the 2012 meeting of the Task Force; (ii) the complete first draft version of the *EDS Guide* for worldwide comments in September 2012; (iii) the presentation of the revised complete version for endorsement by the Task Force at its 2013 meeting; and (iv) the completion of the prepublication version of the *EDS Guide* by September 2013.

III. Availability of debt data

A. Joint External Debt Hub issues

5. A number of enhancements to the Joint External Debt Hub (JEDH)[2] tables (www.jedh.org) have been implemented subsequent to the 2010 session of the Statistical Commission. The World Bank has been working with IMF to align the JEDH creditor/market table to *BPM6* by including both Special Drawing Rights allocation (debt liabilities) and Special Drawing Rights holdings (reserve assets). Other changes were made to the creditor/market table, including the addition of Paris Club claims broken down into aid and non-aid, and better identification of insured export credit exposures data provided by the Berne Union. The JEDH agencies (BIS, OECD, the World Bank and IMF) approved by e-mail exchange the update of table 1 of the JEDH Service Level Agreement (SLA) to reflect these changes. During the 2011 meeting of the Task Force, the JEDH agencies indicated that they would propose additional presentational changes to JEDH. These institutions are currently working on a revised version of the creditor/market table, which will be available in December 2011.

B. World Bank Quarterly External Debt Statistics database

6. Good progress is being made in countries' participation in the Quarterly External Debt Statistics (QEDS) database (www.worldbank.org/qeds). As of December 2011, 66 Special Data Dissemination Standard (SDDS) subscribers and the euro area reported data for table 1 (gross external debt position by sector — a prescribed SDDS category), 26 economies reported data for table 2 (foreign

[2] The Joint External Debt Hub website was launched in March 2006 to provide a one-stop source for comprehensive external debt statistics.

currency and domestic currency external debt position — an SDDS encouraged item), 12 economies reported data for table 3 (debt service payment schedule — an SDDS encouraged item) and 27 economies reported data for at least one of the six supplementary tables. In addition, 38 General Data Dissemination System (GDDS) participants have reported external debt position data for QEDS, of which 7 economies reported the gross external debt position data by sector (SDDS prescribed category).

7. After consulting with the Task Force agencies, and in line with *BPM6*, the World Bank has encouraged QEDS participants (both SDDS subscribers and GDDS participants) to report their SDR allocations as an external debt liability. The World Bank communicated with the QEDS correspondents to provide guidance for appropriate reporting of their SDR allocations and requested them to include an explicit reference in the QEDS metadata identifying any departure from the international standards. As of December 2011, 48 participants have included the SDR allocations in their total external debt position, including 34 SDDS subscribers.

C. Public sector debt database

8. To improve the international availability and comparability of public sector debt data, the World Bank and IMF, in coordination with other Task Force agencies, launched the online centralized public sector debt (PSD) database in December 2010 (www.worldbank.org/qpsd). The main purpose of the PSD database is to facilitate timely dissemination in standard formats of quarterly public sector debt statistics. By presenting such data in a central location, the database will support macroeconomic analysis and cross-country comparisons. The launch of the PSD database is one of the recommendations in the G-20 Data Gaps Initiative.[3] This initiative has been endorsed by the G-20 Finance Ministers and Central Bank Governors and also by the IMF International Monetary and Financial Committee. Data requested are aligned with the *PSDS Guide*.

9. As of the end of November 2011, 35 economies have provided position data for the PSD database. The PSD database comprises quarterly data, mainly from developing/emerging market countries, on gross public sector debt position at nominal value. The following is the range of sectors for which quarterly data can be provided: (1) general government; (2) central government; (3) budgetary central government; (4) non-financial public corporations; (5) financial public corporations; and (6) total public sector. The database includes position data by both original and remaining maturity (short-term and long-term), broken down by instrument, as well as position data by currency of denomination (domestic and foreign currency) and by residence of the creditor (domestic and external creditors). The participation of countries in the PSD database is voluntary. The minimal requirement is reporting central government debt position data by type of instrument.

10. The World Bank and IMF will continue encouraging developing and emerging market economies to join the initiative. In consultation with other Task Force agencies, the World Bank, IMF and OECD will also invite other advanced

[3] See www.imf.org/external/np/g20/pdf/102909.pdf. The public sector debt database is recommendation number 18 in the Data Gaps Initiative report.

economies to report existing data on the debt of the general government sector to the PSD database. The Task Force stressed the need for placing particular emphasis on avoiding duplication and inconsistencies with reporting templates that are required by other international agencies.

IV. Capacity-building

11. IMF conducted the fourth headquarters-based external debt statistics course from 29 August to 22 September 2011. These courses have been held every other year since 2005. Thirty-nine participants from all regions attended the course. As in previous years, the 2011 headquarters-based course benefited from the participation and expertise of staff from several Task Force agencies (BIS, the Commonwealth Secretariat, ECB, UNCTAD and the World Bank), as well as Government officials from the United States Federal Reserve Board and the Bureau of Economic Analysis. IMF also conducted public sector debt statistics courses and workshops in March 2011, primarily for G-20 economies (Joint Vienna Institute), September 2011 for formerly centrally planned economies (Joint Vienna Institute) and November 2011 for Latin American economies (Joint Regional Training Center for Latin America). In February 2012, IMF will conduct a course for African economies (Joint Partnership for Africa). Other Task Force agencies participated in these training activities.

12. The Commonwealth Secretariat and UNCTAD also provided support to countries in the production and dissemination of debt statistics, through conferences, regional workshops and country-specific activities.

13. In the past 12 months, the Commonwealth Secretariat has organized four training workshops at the regional and country levels on the compilation and dissemination of public debt statistics through the production of a comprehensive *Public Debt Bulletin*. Regional workshops on developing a *Public Debt Bulletin* were held in Singapore for Asia, and in Sierra Leone for the West African subregions, respectively. In-country training, *Public Debt Bulletin* missions were fielded to Dominica and Lesotho. During the same period, the Commonwealth Secretariat enhanced the functionality of its Debt Recording and Management System (CS-DRMS) software, to fully comply with the *PSDS Guide*. CS-DRMS has been further upgraded with easy-to-use links for reporting to the QEDS database. The link for reporting under the quarterly PSD database initiative will be completed for the next release of the software. Over the past year, CS-DRMS has been updated to provide countries with debt recording and reporting facilities, which are fully compliant with *BPM6*. To this end, a number of country-specific activities were undertaken to assist countries in developing comprehensive public debt databases in CS-DRMS by integrating domestic debt data with external debt data. These missions were carried out in Sri Lanka, India, Barbados and Cameroon. Furthermore, through the assistance of the Commonwealth Secretariat, three states in India have established complete debt databases using CS-DRMS. During the reporting period, CS-DRMS data validation missions were fielded to Guyana, Jamaica, St. Kitts and Nevis and Botswana. An eLearning program on external debt statistics and the use of CS-DRMS for more effective debt recording and reporting was commissioned by the Commonwealth Secretariat in 2010. This program has trained 75 country officials in more advanced use of the debt recording system and in external debt data standards.

14. Similarly, UNCTAD has conducted eight workshops related to debt statistics. Two debt statistics workshops were completed with Angola (July 2011) and Venezuela (December 2010). Two workshops on data validation, which provided for enhancement of debt databases and the foundation for the production of debt reports and statistics, were held in the Democratic Republic of the Congo (March 2011) and Angola (follow-up workshop in August 2011). Two debt portfolio analysis workshops, which utilized the debt reports and statistics produced, were completed with Venezuela (December 2010) and Nicaragua (May 2011). A regional workshop on debt portfolio analysis was also held with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa in Rwanda in August 2011, in which 19 officials from four countries participated. A training for trainers workshop conducted at UNCTAD headquarters in Geneva in February 2011 provided updates for 13 trainers on the latest developments in the areas of debt statistics, data validation and debt portfolio analysis. The Debt Management and Financial Analysis System Programme is also working on the second versions of its data validation and debt statistics modules.

V. Forward work programme of the Task Force on Finance Statistics

15. The main activities included in the 12-month work programme agreed at the March 2011 meeting of the Task Force are: (i) the updating of the *EDS Guide*; (ii) progress on the PSD and QEDS databases, and JEDH; (iii) potential discussion on the progress made on contingent liabilities; (iv) a private-sector debt paper to be prepared by the Commonwealth Secretariat; (v) treatment of arrears in debt statistics, including conceptualization, sub-categorization, measurement and other related issues; (vi) promoting the work of the Task Force through its website; and (vii) the triennial review of the JEDH Service Level Agreement; the previous review took place in 2009.

VI. Next meeting of the Task Force on Finance Statistics

16. The member agencies of the Task Force on Finance Statistics will next meet in Washington, D.C., on 22 and 23 March 2012, at the IMF headquarters.